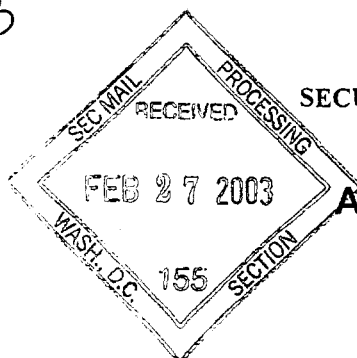


VF 3-5-03



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-  
PART III



FACING PAGE 03011233

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

\*\*A# 3/4/2003

OMB APPROVAL  
OMB Number 3235-0123  
Expires: October 31, 2004  
Estimated average burden  
hours per response . . . 12.00

SEC FILE NUMBER

8-47364

8-35615

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: KOPSTEIN, VAN ALLEN, NASH, & CO, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM ID. NO.

32 CANNON STREET  
(No. and Street)

POUGHKEEPSIE  
(CITY)

NEW YORK  
(state)

12601  
(zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

JAMES VAN ALLEN

914-485-6600  
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Karll, Harvey CPA, P.C.  
(NAME- IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street  
(Address)

Newburyport  
(City)

MA  
(State)

01950-2755  
(ZIP Code)

CHECK ONE:

☒ Certified Public Accountant  
Public Accountant

Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 13 2003

THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid control number

BB 3/13

## OATH OR AFFIRMATION

I, James Van Alen

swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Kopstein, Van Alen, Nash & Co., Inc., as of December 31, 2002 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

SEEN TO BEFORE ME THIS 26<sup>th</sup>  
day of February, 2003.

2/26/03  
James Van Alen  
Signature  
CHAIRMAN  
Title

[Signature]  
Notary Public

TERRY Y. PRYER  
NOTARY PUBLIC, State of New York  
No. 04PR6083648  
Qualified in Dutchess County  
Commission Expires 11/18/2006

This report\*\* contains (check all applicable boxes):

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Financial Condition.
- X (e) Statement of Changes in Stockholders' Equity, or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims, of Creditors.
- X (g) Computation of Net Capital
- X (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- X (i) Information Relating to the Possession or control Requirements under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- X (K) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions, of this filing, see section 240.17d-5(e)(3).

# Harvey E. Karll CPA, PC

41 Middle Street  
Newburyport, Massachusetts 01950  
(978) 465-9512 Fax (978) 462-9043

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SECTION 17A-5

To the Board of Directors  
Kopstein, Van Alen, Nash & Co., Inc

I have examined the financial statements of Kopstein, VAn Alen, Nash & Co., Inc for the year ended December 31, 2002 and have issued my report thereon dated January 15, 2003. As part of my examination, I made a study and evaluation of the Company's system of internal accounting control, which includes the procedures for safeguarding securities, to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

I also made a study of the practices and procedures followed by the Company in making periodic computations of aggregate indebtedness and net capital under rule 17a-3 (a) (11) and the procedures for determining compliance with the exemptive provisions of rule 15c-13 or (ii) in section 4(c) of regulation T of the board of governors of the Federal Reserve System, because the company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the objectives of the SEC described in rule 17a-5(g). The objectives of a system of practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a05(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitation in any system of internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless occur and not be detected. Also, projection or any evaluation of them to future period is subject to the risk that they may become inadequate because of changes in conditions or that the degree of compliance with them may deteriorate.

My study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of Kopstein, Van Alen, Nash & Co., Inc taken as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the commission to be adequate for its purposes in accordance with the SEC Act of 1934 and related regulations, and the practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequate for such purposes. Based on this understanding on my study, I believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the attention that would indicate that conditions of the exemption for rule 15c-3-3 had not been complied with during the period.

This report is intended solely for the use of management and the SEC and should not be used for any other purpose.

February 15, 2003

Harvey E. Karll CPA, PC

*Harvey E. Karll CPA, PC*

Kopstein, Van Alen, Nash, & Co., Inc.

Audited Financial Statements

December 31, 2002

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# Harvey E. Karll CPA, P.C.

41 Middle Street  
Newburyport, Massachusetts 01950  
(978) 465-9512 Fax (978) 462-9043

February 15, 2003

## Report of Independent Accountant

To the Board of Directors Kopstein, Van Alen, Nash & Co., Inc.

I have audited the accompanying statement of financial condition of Kopstein, Van Alen, Nash & Co., Inc. as of December 31, 2002, and the related statements of income, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the management of the company. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management of the Company, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Kopstein, Van Alen, Nash & Co., Inc. as of December 31, 2002, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of Kopstein, Van Alen, Nash & Co., Inc. are presented for the purpose of additional analysis and are not required as part of the basic financial statements, but are supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. These schedules are the responsibility of the Company's management. Such schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

*Harvey E. Karll CPA, P.C.*

Kopstein, Van Alen, Nash & Co., Inc.  
Balance Sheet  
December 31, 2002

Assets

Current Assets		
Cash - Riverside Bank	\$	3,780.03
Cash - Key Bank		789.99
Cash - Money Markets		176,330.85
Petty Cash		117.77
Commissions Receivable		6,446.10
Cash-Capital Deposit		20,743.22
Money Market - Trading		42,911.54
Prepaid Taxes		740.65
Prepaid Expenses		6,356.68
WexfordCap. Depository		0.66
Claim for IRS Refund		10,034.00
		<hr/>
Total Current Assets	\$	268,251.49
Fixed Assets		
Furniture & Fixtures	\$	26,796.05
Accum Depre - Furn & Fix	(	26,796.05)
		<hr/>
		0.00
Equipment		179,894.42
Accum Depre-Equipment	(	175,312.50)
		<hr/>
		4,581.92
Leasehold Improvements		41,870.35
Accum Depre - L'H Impr	(	39,550.35)
		<hr/>
		2,320.00
		<hr/>
Net Fixed Assets		6,901.92
Other Assets		
Security Deposit - Lease		2,879.88
Security Deposits-Other		1,665.00
		<hr/>
Total Other Assets		4,544.88
		<hr/>
Total Assets	\$	279,698.29
		<hr/>

See Accountant's Audit Report



Kopstein, Van Alen, Nash & Co., Inc.  
Balance Sheet  
December 31, 2002

Liabilities & Equity

Liabilities

Current Liabilities		
Commissions Payable	\$	6,541.25
Accounts Payable		7,989.01
Brokerage Debit Balances		3,600.00
		<hr/>
Total Current Liab.	\$	18,130.26
Long Term Liabilities		
		<hr/>
Total Long Term Liab.		0.00
		<hr/>
Total Liabilities		18,130.26

Equity

Common Stock		15,000.00
Paid in Capital		77,300.00
Retained Earnings		240,556.88
Current Earnings	(	71,288.85)
		<hr/>
Total Equity		261,568.03
		<hr/>
Total Liabilities & Equity	\$	279,698.29
		<hr/> <hr/>

See Accountant's Audit Report

Kopstein, Van Alen, Nash & Co., Inc.  
Statement of Income  
Twelve Months Ended December 31, 2002

	Year To Date	%
Commission Income	\$ 275,137.36	100.0
Management Fees Income	31,410.66	11.4
	<hr/>	
Total Income	306,548.02	111.4
Salaries - Officers	121,378.49	44.1
Salaries - Others	31,125.00	11.3
Advertising	1,838.35	0.7
Automobile Expense	2,943.50	1.1
Gifts	224.45	0.1
Insurance - Health	30,727.02	11.2
Bank Charges	369.71	0.1
Commissions	39,470.06	14.3
Classes and Seminars	69.00	0.0
Clearing Expense	13,209.16	4.8
Depreciation	3,209.96	1.2
Dues & Subscriptions	1,043.78	0.4
Electric	5,385.87	2.0
Insurance	4,513.31	1.6
Error Expense	1,245.38	0.5
Insurance-Officer's Life	6,541.97	2.4
Insurance-Fidelity Bond	1,305.47	0.5
Maintenance & Cleaning	3,045.77	1.1
Leasing Expense	152.00	0.1
Computer Expense	2,359.89	0.9
Payroll Processing	906.13	0.3
Office Expense	2,123.05	0.8
Postage & Messenger	1,773.73	0.6
Professional Fees	28,169.36	10.2
Rent	41,045.95	14.9
Regulatory Fees	10,580.67	3.8
Repairs	64.86	0.0
Quotron Expense	7,421.03	2.7
Taxes - Payroll	15,255.38	5.5
Telephone	12,230.32	4.4
Travel & Entertainment	1,885.55	0.7
	<hr/>	
Total Operating Expenses	391,614.17	142.3

See Accountant's Audit Report

Kopstein, Van Alen, Nash & Co., Inc.  
Statement of Income  
Twelve Months Ended December 31, 2002

	Year To Date	%
Other Income		
Interest Income	\$ 10,138.25	3.7
Municipal Interest	3,639.05	1.3
	<hr/>	
Net Income Before Taxes	( 71,288.85)	-25.9
Income Tax Provision		
	<hr/>	
Total Provision for Income Taxes	0.00	0.0
	<hr/>	
Net Income ( Loss )	(\$ 71,288.85)	-25.9
	<hr/> <hr/>	

See Accountant's Audit Report

Koptstein, Van Alen, Nash & Co., Inc.  
Statement of Stockholders' Equity  
December 31, 2002

Beginning Stockholders' Equity	\$ 92,300.00
	-----
Ending Stockholders' Equity	\$ 92,300.00
	=====

Kopstein, Van Alen, Nash & Co., Inc.  
Statement of Retained Earnings  
December 31, 2002

Beginning Retained Earnings	\$ 230,522.88
IRS Refund Claim for Prior Years	10,034.00
	-----
Beginning Reatined Earnings Restated	240,556.88
Current Years Operations	(71,288.85)
	-----
Ending Retained Earnings	\$ 169,268.03
	=====

(See Accountant's Audit Report and Notes to Financial Statements)

Kopstein, Van Alen, Nash & Co., Inc.  
Statement of Cash Flows  
Twelve Months Ended December 31, 2002

Year To Date

Cash Provided from Operations		
Net Income ( Loss )	(\$ 71,288.85)	
Adjustments		
Add:		
Depreciation	3,209.96	
Wexford M/F	0.56	
Less:		
Cash-Capital Deposit	( 215.09)	
Money Market - Trading	( 1,038.13)	
Prepaid Taxes	( 740.65)	
Prepaid Expenses	( 3,577.53)	
Claim for IRS Refund	( 10,034.00)	
Commissions Payable	( 3,470.78)	
Accounts Payable	( 283.34)	
Pension Plan Payable	( 8,072.43)	
Brokerage Debit Balances	( 15,400.00)	
Cash from Operations		( 110,910.28)
Cash Flows - Invested		
Equipment	( 690.00)	
Leasehold Improvements	( 2,350.00)	
Investing Cash Flows		( 3,040.00)
Cash Flows - Financing		
Retained Earnings	10,034.00	
Financing Cash Flows		10,034.00
Cash Increase (Decrease)		( 103,916.28)
Cash - Beginning of Year		
Cash - Riverside Bank	172.58	
Cash - Key Bank	22,144.63	
Wexford Billing Account	0.82	
Cowen Money Market	0.00	
Error Account - Cowen	0.00	
Trading Surplus Account	0.00	
Cash - Money Markets	258,067.03	
Petty Cash	92.77	
Cash-Capital Deposit	20,528.13	
Total Beginning of Year		301,005.96
Cash on Statement Date		\$ 197,089.68

See Accountant's Audit Report

Kopstein, Van Alen, Nash & Co., Inc.  
 Computation of Net Capital  
 December 31, 2002

Net Worth		\$ 261,568
Less: Non Allowable Assets	28,579	
Haircuts	4,800	33,379
		-----
Net Capital		228,189
Less: Capital Requirement		50,000
		-----
Excess Capital		\$ 178,189
		=====
Aggregate Indebtedness		\$ 18,130
		=====
Ration of Aggregate Indebtedness to Net Capital		0.10 to 1.0
Reconciliation of Computation of Net Capital		
		-----
Net Capital - As reported in Part IIA Focus		\$ 220,874
Net Audit Adjustments		7,315
		-----
Net Capital, As Above		\$ 228,189
		=====

(See Accountant's Audit Report and Notes to Financial Statements)

Kopstein, Van Alen, Nash & Co., Inc.  
Notes to Financial Statements  
December 31, 2002

1. Summary of Significant Accounting Policies

The Company is a registered broker-dealer. All trades are cleared on a fully disclosed basis.

2. Capital Requirements

Pursuant to the Securities and Exchange Commission Uniform Net Capital Rule, the Company is required to maintain minimum net capital (\$ 50,000.00), as defined under Rule 15c3-1. At December 31, 2002 the Company had net capital of \$ 228,189.

3. Exemption from Rule 15c3-3

The Company does not collect any customer funds. The Company does not hold any securities for its customers and it clears all transactions with a clearing broker or dealer. Accordingly, the Company meets the exemptive provisions of Rule 15c3-3.

4. Commitments

The Company is obligated for office space at December 31, 2002 with rent commitments as follows:

2003	42,000
------	--------

5. Retirement Plan

The Company has a retirement plan with voluntary contributions which have immediate vesting.

6. Officers Life Insurance

The Company has life insurance on each of the three officers' lives in the \$100,000-150,000 range to fund a buy-sell arrangement.



Kopstein, Van Alen, Nash & Co., Inc.  
Notes To Financial Statements  
December 31, 2002

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

8. Advertising

The company's policy is to expense the cost of advertising as it is incurred.